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California State Senate

SENATOR
DAVE COX
FIRST SENATE DISTRICT



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February 28, 2006

Assemblymember Nicole Parra
Chair, Joint Legislative Audit Committee
State Capitol, Room 4005
Sacramento, CA 95814

Dear Assemblymember Parra,

Recent news reports have raised disturbing questions regarding improper activities by Rob Reiner, who as you are aware has recently completed his first term as Chairman of the California First Five Commission. Specifically, Mr. Reiner, through his role on the Commission, was reported to have used taxpayer dollars intended for First Five Commission activities to finance a \$23 million "public relations" media campaign on the issue of universal preschool. Mr. Reiner's paid political consultants simultaneously worked to qualify his Universal Pre-School for All initiative. As you know, this initiative, known as Proposition 82, has qualified for the June, 2006 ballot.

By passing Proposition 10 in 1998, California voters agreed to increase tobacco taxes by fifty cents per pack to create the First Five Commission. Revenue generated from the tax increase was to be used for anti-smoking programs, health care, quality child care, parent education and effective intervention programs for families at risk, among other aspects. According to the Los Angeles Times:

"Under Reiner's leadership, the commission has:

- Spent \$23 million for the "Preschool for All" ads, which ran from November to mid-January, making it one of the largest state-funded advertising campaigns ever in California. In January, Reiner's new initiative, also called "Preschool for All," qualified for the June ballot as Proposition 82.
- Given \$230 million in advertising and public relations contracts — including the preschool ad blitz — to firms that helped Reiner create the First 5 commission. As companies competed for the business, Reiner wrote a letter recommending one firm, which won.

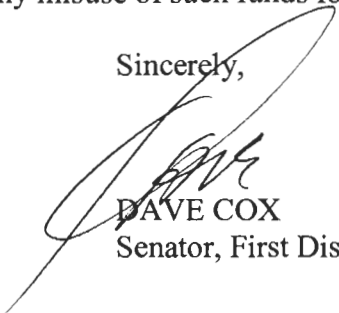
- Paid \$206,000 of the tax money to three political consultants, though they had no contract. One of them — Benjamin Austin, a former Los Angeles deputy mayor — said they helped coordinate the government activities of Reiner, the First 5 commission and the media consultants. Austin and the others subsequently joined the Proposition 82 effort, with Austin as campaign manager.”

The timing of these ads, as well as the less than scrupulous relationship between Mr. Reiner and his consultants, violates the spirit if not the letter of the law which clearly prohibits the use of taxpayer dollars for any political campaign activities.

You will recall that just one year ago, former Secretary of State Kevin Shelly resigned in the face of numerous reports and investigations into his misuse of federal funds for what were confirmed to be overtly political purposes. Six years ago, former Insurance Commissioner Charles Quackenbush also resigned following similar misappropriation of taxpayer funds for what were also confirmed to be overtly political purposes.

Mr. Reiner’s activities, as reported in the media, meet a similar threshold of troubling behavior, and his direct role with Proposition 82 represents a clear conflict of interest. I am requesting that the Joint Legislative Audit Committee convene as soon as possible to authorize a formal audit by the Bureau of State Audits into the use of the use of these dollars, as well as the lack of competitive bids for contracts awarded to Mr. Reiner’s political consultants. We have a duty and responsibility to the people of California to ensure that taxpayer funds are used in the appropriate manner, and to maintain a firewall against any misuse of such funds for anything less.

Sincerely,



DAVE COX
Senator, First District

DC:pdm

Cc: Senate President Pro tem Don Perata
Senate Republican Leader Dick Ackerman
Assembly Speaker Fabian Nunez
Assembly Republican Leader Kevin McCarthy
Members, Joint Legislative Audit Committee